State of California
Employment Training Panel

Training Proposal for:
Pelco, Inc.

Agreement Number: ET09-0217

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **Sacramento**   Analyst: J. Sakamoto

PROJECT PROFILE

Contract
Type: Priority/Retrainee

Industry
Sector(s):   Manufacturing

Counties
Served: Fresno

Repeat
Contractor: ☒ Yes ☐ No

Union(s):   ☐ Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

No. Employees in CA: 2,100

No. Employees Worldwide: 120,000

Turnover Rate %	Manager/ Supervisor %
16%	5%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding		In-Kind Contribution
$251,100	$0	$251,100		$312,480

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Advanced Technology, Business Skills, Computer Skills, Continuous Improvement, Management Skills, Manufacturing Skills	450	24-200	0-8	$558	$12.85
				Weighted Avg: 31			

Minimum Wage by County: Fresno County $12.85

Health Benefits: ☒ Yes ☐ No   This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

$1.85 per hour may be used to meet the Post-Retention Wage.

Other Benefits: Vacation days, Paid Holidays, 401(k), Profit Sharing, Tuition Reimbursement, Charitable Contribution Matching, Jury Duty compensation, Life Insurance, AD&D, Long-Term Disability, Employee Assistance Program.

Wage Range by Occupation	
Occupation Title	Wage Range
Operators & Machinists	
Testers	
Mechanical Assemblers	
Machine Technicians, Operators, and Assemblers	
Frontline Supervisors	
Electronic Technicians & Electronic Assemblers	
Administrative Staff	
Engineers	
Managers	

INTRODUCTION

In this proposal, Pelco, Inc. (Pelco), a subsidiary of Schneider Electric, seeks funding for retraining as outlined below:

Founded in 1957 in Southern California, Pelco, designs, develops, and manufactures video security systems and equipment. In 1987, Pelco relocated to its current facility in Clovis. With

only 100 employees in 1987, Pelco expanded over the next 20 years as a privately-held corporation, to more than 2,000 employees today.

Pelco was acquired by Schneider Electric last year and joined global presence with operations in over 190 countries.

Operating from the industry's largest manufacturing complex, Pelco produces discreet camera domes and enclosures, electronic access control, video matrix systems, next generation digital video recorders, IP solutions, and fiber optic transmission systems for video/data while maintaining customer satisfaction. Pelco also manufactures a large number of special equipment items, including explosion-proof and pressurized camera enclosures, high-security housings, and thermal imaging pan-tilt-zoom positioning systems. Its product lines are Spectra®, Camclosure®, Endura®, Intelli-M®, and Digital Sentry® product lines.

Pelco is an Open Systems Provider with integrations and partnerships in such areas as Electronic Access Control, Video Analytics, Central Station Alarm Monitoring and Video Monitoring, Cellular Phone-Video Monitoring, Command and Control, Mobile Digital Video Recording, Point of Sale and Loss Prevention Systems. Along with designing, developing and manufacturing its products, Pelco also provides its customers with 24-Hour Technical Assistance as well as replacement parts and repairs for its products.

Pelco's products are installed throughout the United States and internationally. The company's video-security systems protect people and property in more than 1 million locations in buildings of all types and sizes. Customers are represented in industries including: education, healthcare, life sciences, retail, hospitality, data centers, transportation, government, and military.

Pelco satisfies the out-of-state competition requirements under Title 22, California Code of Regulations, Section 4416(i) through its industry classification.

PROJECT DETAILS

In order to compete effectively and efficiently while maintaining a reputation for quality, the company's goal is to move to a high performance workplace. To make this transition, the company must become more efficient in its operations and upgrade the skills of its workers. Pelco must adapt internally so that it can effectively collaborate with Schneider Electric and to increase its efficiency to compete with other companies that are located outside of California and overseas and have lower overall costs in production.

Since Pelco products are built upon an open architecture, customers are able to view and control cameras with a standard Web browser, (Digital Sentry Video Management, Endura network-based video security systems or through third-party software). In the past, Pelco was not seamlessly integrated with any access control solution and additional software had to be written to integrate any other third party access control system with Pelco.

Pelco expects to invest approximately $452,000 in training for 2008 at its Clovis facility. ETP funding will enable the company to increase the availability of training to all workers to establish a standard of excellence in performance levels across the workforce. With training, workers will have the tools to successfully implement and transition into becoming a high performance workplace within the newly established organizational structure.

The company has determined that training is needed in the following areas:

Continuous Improvement –
Training in the Continuous Improvement category will include lean principles and methodologies, problem solving, teambuilding, quality concepts, production operations and workflow, process improvement, and decision-making for all occupations. Continuous Improvement Skills will provide workers with tools to work in teams, improve performance, and upgrade productivity and product quality while reducing waste and controlling costs. Training will be given to all occupations as it is needed to achieve a successful transition to a high performance workplace.

Manufacturing Skills –
Operators and machinists, testers, assemblers, and technicians will receive training in new skills and responsibilities to improve productivity, and gain additional skills in manufacturing and operations. They will also receive cross-training in equipment and operations to become more efficient while implementing lean principles and continuing to maintain high quality product standards. Training will be implemented by class/lab and no product production will be done during training by trainees, although the trainees may observe the production process as part of the training.

Business Skills –
Business Skills training will be provided to all employees. Training in communication skills includes customer service techniques, report writing, and presentation skills. Product knowledge and customer service skills will be given to trainees to provide the skills necessary to provide high quality customer service and gain greater expertise in technical areas.

Computer Skills –
Computer Skills training will be delivered to all occupation groups, allowing the workforce to effectively use automated systems and software. This training will provide employees the skills necessary to fully take advantage of the integrated tools, improve skills with computer-based word processing capabilities, spreadsheets, presentation tools, and databases. Employees receiving training in QANTEL, the company's MRP system, will be able to utilize the system more effectively and managers will be able to make efficient, real-time decisions that support the business goals.

Management Skills –
Training in effective coaching and motivating to a high performance team will be given to managers only, to successfully develop team members in the workplace. Managers will be able to provide leadership in the changing work environment, communicate the importance of teamwork, and help develop frontline worker skills.

Advanced Technology (AT) –
The AT training outlined in the curriculum will give Pelco engineers the skills needed to assist in design and development of products. Specifically, Linux is a stand-alone Operating System for high-end computation. Linux is much more robust and is an open source for constant improvements. Training in these skills will allow Pelco to design products that meet the demands of its customers for open architecture. Class size will have a trainee to trainee ratio of 1:10 to allow in-depth coverage and personal attention from the instructor.

Commitment to Training

In the past, Pelco has provided training for sexual harassment prevention awareness, legal compliance, and OSHA-required certification training. In addition, it has provided seminar instruction for management and sales staff and conducted on-the-job shadowing training to new-hire production employees.

ETP funding will allow the company to provide a structured, company-wide training program to teach its frontline and management workforce the skills needed to reach a high performance workplace. Without ETP funds, the company will not be able to implement such a large-scale continuous program at this time.

This proposed ETP project will serve as a launching pad for establishing a continuous formal training program. After the ETP-funded training is completed, the company projects additional funds to be specifically budgeted for on-going job skills training. Pelco represents ETP funds will not displace the existing financial commitment to training. Indeed, Pelco anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. Pelco expects to invest approximately $452,000 in training for 2008 in California.

Pelco represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Frontline Worker

The company uses several job classifications with "supervisor" or "manager" in the title. In fact, based on the nature and scope of the job duties, these employees are eligible for overtime compensation. Therefore, they meet the Panel's definition of frontline workers. (Title 22, California Code of Regulations (CCR), Section 4400(ee)). With this in mind, no more than 5% of the trainee population are supervisors or managers.

The 450 trainees in Job Number 1 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, CCR, Section 4429(b).)

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Pelco under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET03-0229	Clovis	01/06/03-01/05/2005	$787,644	$220,896

In the previous contract, Pelco experienced difficulties in fulfilling the requirements for SOST. SOST will not be included in the project.

DEVELOPMENT SERVICES

The company retained California Manufactures and Technology Association in Sacramento to assist with development of this proposal at no charge to the company.

ADMINISTRATIVE SERVICES

The company retained Computer Training Consultants (CTC) in San Jose to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

CTC has also been retained to provide training. Other trainers will be identified for ETP record-keeping purposes, as they are retained by Pelco.

Exhibit B: Menu Curriculum

Class/Lab Hours
24-200 hours

BUSINESS SKILLS
Effective Communication Skills
Report Writing Techniques
Conflict Management Skills
Interpersonal Skills
Customer Service Techniques
Product Knowledge
Inventory Control
Presentation Skills

COMPUTER SKILLS
Microsoft Office Suite- Intermediate and Advanced
Microsoft Access
Qantel Manufacturing Resource Planning (MRP)
Human Resources Information System (HRIS)
Office Automation and New Technologies

CONTINUOUS IMPROVEMENT
Lean Principles and Methodologies
Problem Solving
Teambuilding
Quality Concepts
Total Quality Management
ISO (9000 to 9005)
Fishbone Diagrams
Just-In-Time Processes (JIT)
Production Scheduling
Production Operations/Workflow
Process Improvement
Decision Making
Leadership Skills for Frontline Workers
Train-the-Trainer

MANAGEMENT SKILLS (Managers Only)
Leadership Skills for Managers
Motivating a High Performance Team
How to Build a High Performance Team
Coaching Techniques
Appraisals and Feedback

MANUFACTURING SKILLS

Production Operations
Parts and Products Manufacture
Equipment Operation
Assembly Procedures
Testing Procedures
Manufacturing Practices
Cross-training in Equipment Skills
Computer Numeric Control Machining:
     Operation, Drills, Lathes, Milling Machines,
     Grinders, Programming Set-up and Operation
SMED (Single Minute Exchange of Die)
Precision Mathematics
Reading Precision Measuring Equipment
Blueprint Reading
Preventative Maintenance Measures
GD&T (Geometric Dimensioning and Tolerancing)

ADVANCED TECHNOLOGY (Engineers Only)

Linux System Training
Operating Systems Essentials
Network Administration
Systems Administration
System Administration Tools
Linux Advanced Technician Training
Essentials of Red Hat Linux
Migration of Red Hat Linux to SuSE (Software-und System-Entwicklung)

Computer-Based Training (CBT):

0-8 hours

Microsoft Office Suite (Intermediate and Advanced):
Microsoft Word (2 hours)
Microsoft Excel (2 hours)
Microsoft PowerPoint (2 hours)
Microsoft Access (2 hours)